

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Address Utility Cost and Revenue Issues Associated with Greenhouse Gas Emissions.	Rulemaking 11-03-012 (Filed March 24, 2011)
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**DECISION GRANTING COMPENSATION TO SIERRA CLUB CALIFORNIA
FOR SUBSTANTIAL CONTRIBUTION TO DECISION 12-12-033**

Claimant: Sierra Club California	For contribution to Decision (D.) 12-12-033
Claimed (\$): \$26,348.00	Awarded (\$): \$23,924.00 (reduced 9.2%)
Assigned Commissioner: Peevey	Assigned Administrative Law Judge (ALJ): Halligan and Semcer

PART I: PROCEDURAL ISSUES

A. Brief Description of Decision:	Adopted cap-and-trade greenhouse gas allowance revenue allocation methodology for the investor-owned utilities.
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**B. Claimant must satisfy intervenor compensation requirements set forth in Public
Utilities Code §§ 1801-1812:**

	Claimant	CPUC Verified
Timely filing of notice of intent to claim compensation (NOI) (§ 1804(a)):		
1. Date of Prehearing Conference:	June 2, 2011	Verified
2. Other Specified Date for NOI:		
3. Date NOI Filed:	July 1, 2011	Verified
4. Was the NOI timely filed?		Yes
Showing of customer or customer-related status (§ 1802(b)):		
5. Based on ALJ ruling issued in proceeding number:	A.10-03-014	Verified
6. Date of ALJ ruling:	November 30, 2010	Verified
7. Based on another CPUC determination (specify):		
8. Has the Claimant demonstrated customer or customer-related status?		Yes

Showing of “significant financial hardship” (§ 1802(g)):		
9. Based on ALJ ruling issued in proceeding number:	A.10-03-014	Verified
10. Date of ALJ ruling:	November 30, 2010	Verified
11. Based on another CPUC determination (specify):		
12. Has the Claimant demonstrated significant financial hardship?		Yes
Timely request for compensation (§ 1804(c)):		
13. Identify Final Decision:	D.12-12-033	Verified
14. Date of Issuance of Final Order or Decision:	December 28, 2012	Verified
15. File date of compensation request:	February 27, 2013	March 1, 2013
16. Was the request for compensation timely?	See Comment 1	Yes

C. Additional Comments on Part I:

#	Intervenor’s Comment(s)	CPUC Discussion
	This Request is accompanied by a Motion to Late-File due to unforeseen circumstances and good cause shown. Granting of the motion would deem this Request accepted for consideration by the Commission.	The motion was granted by email ruling on March 4, 2013

PART II: SUBSTANTIAL CONTRIBUTION**A. In the fields below, describe in a concise manner Claimant’s contribution to the final decision (see § 1802(i), § 1803(a) & D.98-04-059.**

Intervenor’s Claimed Contribution(s)	Specific References to Intervenor’s Claimed Contribution(s)	CPUC Discussion
<p>1. Sierra Club California (“Sierra Club”) contributed policy principles and recommendations to the Scoping Ruling.</p> <p>Sierra Club California recommended evaluation of energy efficiency and renewable energy investments. Sierra Club made specific reference to evaluating “the ability of investment to overcome barriers to adoption.” (Reply Comments on OIR at 3).</p>	<p>Policy objectives recognized in Scoping Ruling to “preserve the carbon price signal” and to “correct for market failures that lead to underinvestment in carbon mitigation activities and technologies, including energy efficiency and renewables demonstration projects.” (Scoping Ruling at page 9, 11)</p> <p>“The objectives were refined through feedback received during an August 1, 2011 workshop, in which parties discussed an initial set of policy objectives proposed in an ALJ Ruling issued in July 2011.” (Decision at 53)</p> <p>“Finally, DRA and the Joint Parties</p>	Yes

	suggested that the Commission adopt a policy objective to educate customers about the impacts and benefits of the Cap-and-Trade program.” (Decision at 55)	
<p>2. Briefing in response to the Utilities’ Joint Motion for an interim decision, advocating against the proposed interim decision on policy grounds and grounds that an interim decision would prejudice the outcome of the proceeding.</p> <p>“An expedited Decision would prejudice an adequate process that could consider Party arguments and evidence in the record.” (Reply Comments on OIR at 5).</p> <p>May 26, 2011 Response of NRDC and Sierra Club California to Joint Motion for Interim Decision:</p> <p>“The Utilities’ proposal is at odds with both the Air Resources Board’s (ARB) proposed regulation for the cap and trade program and Commission policy concerning use of allowance value.” (p.1)</p> <p>“We urge the Commission to reject the Joint Motion’s proposal to return auction revenue to customers through reduced distribution rates, because it contravenes ARB’s proposed cap and trade regulation and Commission policy recognizing the importance of maintaining the carbon price signal in retail rates.</p> <p>We recommend that the Commission ensure an interim decision is in place from the start of the cap and trade program, but any mechanism to return auction revenues to customers must be consistent with ARB’s regulations and established Commission policy.</p> <p>With an interim decision in place, we request that the Commission devote sufficient time in this</p>	<p>“The Joint Motion is hereby denied. However, we decline to rule on the substance of the auction revenue allocation mechanism contained in the Joint Motion at this time, as such a ruling would prejudice the outcome of this proceeding. The Joint Utilities, either individually or as group, are encouraged to file a comprehensive auction revenue allocation proposal for 2013 and beyond as determined in the schedule set in the forthcoming scoping memo in this proceeding.” (July 22, 2011 Ruling of ALJ Semcer denying the Joint Motion for an interim decision at 11)</p>	Yes

<p>proceeding to evaluate the range of options and potential for investing auction revenue in areas that benefit retail customers and advance the goals of AB 32, including targeted investments in additional energy efficiency and renewable energy programs.” (p.2)</p>		
<p>3. Sierra Club California, in collaborative pleadings filed with the Joint Parties, contributed to the Commission’s recognition and development of the policy objective to incorporate the carbon price signal into ratesetting. Sierra Club California drafted and edited sections of the Joint Parties’ proposal addressing this objective.</p> <p>“In order to determine the rebate amount per household, the Joint Parties propose that the Commission adopt a methodology to ensure that households that experience higher bill impacts (e.g. households in certain climate zones, with electric heat sources, etc.) receive proportionally larger refunds.” (Decision at 34)</p> <p>“These objectives reflect Commission precedent or are called out specifically in the language of AB 32 or ARB’s cap-and-trade rule. Objective 1 (preserve the carbon price signal), for example, is the product of past Commission guidance on allowance revenues and mirrors the conclusion of every expert body that has considered the question of how to allocate allowance revenues from California’s cap-and-trade program.” (Joint Parties’ Revised Proposal at 11)</p> <p>“Providing allowance revenue to customers outside of rates will preserve the carbon price signal at</p>	<p>“In today’s decision, we are guided principally by a desire to maintain the carbon price in rates and therefore ensure that the price of goods and services reflects the full cost of carbon in order to send the clearest signal to ratepayers to make the most efficient economic decisions. We believe this outcome most fully comports with the intentions of Assembly Bill 32.” (Decision at 4).</p> <p>“In order to preserve the incentives the Cap-and-Trade program is intended to provide, the costs of carbon should generally be reflected in the price of electricity so that these costs can, in turn, be appropriately reflected in the price of goods and services that rely on electricity. Absent this, electricity consumption, and consumption of goods and services that use electricity, will be higher than the socially optimal level.” (Decision at 59)</p> <p>“Just as carbon pricing creates an economic incentive for the wholesale electricity market to reduce its GHG emissions, carbon pricing creates an additional incentive for retail electricity customers to substitute away from energy and/or emissions intensive activities, as well as invest in energy efficiency and other measures that have the effect of reducing their exposure to GHG costs.” (Decision at 60)</p> <p>“For all of the foregoing reasons we do not, as a general matter, find it reasonable or consistent with the intent of AB 32, including the Cap-and-Trade program, to return allowance revenues in a manner that would mute or otherwise obscure the carbon price signal given the</p>	<p>Yes. As stated in past Commission decisions, a substantial contribution can be made even when the Commission does not adopt all of the recommendations of an intervenor. (<i>See e.g., D.03-06-001.</i>) What is important is the intervenor’s assistance in the Commission’s understanding or analysis of the issues. Sierra Club provided that assistance here.</p>

<p>the retail level, advancing a fundamental objective of this proceeding (Objective #1) and in accordance with previous Commission policy on this issue.” (Joint Parties Revised Proposal at 21)</p> <p>“Maintaining the carbon price signal and investing in additional energy efficiency programs will also spur additional demand-side reductions that avoid rate increases otherwise necessary to finance new generation.” (Joint Parties Revised Proposal at 25)</p> <p>“We share the unanimous guidance from expert agencies and panels that allowance</p> <p>value should be returned to consumers outside of rates, to preserve the carbon price signal at the retail level and maintain appropriate incentives for additional efficiency and conservation.” (Joint Parties Revised Proposal at 53)</p>	<p>essential role that the price signal plays in achieving GHG reductions under a Cap-and-Trade system.</p> <p>We find that a price signal specifically associated with the cost of emitting GHG emissions, as embodied in the cost of emissions allowances and offsets, should generally be reflected in retail rates. For all of the foregoing reasons we do not, as a general matter, find it reasonable or consistent with the intent of AB 32, including the Cap-and-Trade program, to return allowance revenues in a manner that would mute or otherwise obscure the carbon price signal given the essential role that the price signal plays in achieving GHG reductions under a Cap-and-Trade system.</p> <p>We find that a price signal specifically associated with the cost of emitting GHG emissions, as embodied in the cost of emissions allowances and offsets, should generally be reflected in retail rates. Such a signal can be expected to provide the appropriate incentives for conservation, demand response, and energy efficiency, as well as the deployment of clean generation and storage technologies.” (Decision at 64-65)</p> <p>“After allocating revenues for this purpose, the remaining revenues shall be returned equally on a per residential account basis (a non-volumetric return) to help defray the indirect costs of the Cap-and-Trade program that will ultimately be borne by residential customers.” (Decision at 109)</p> <p>“In electing to offset all Cap-and-Trade-related costs in upper-tier residential rates, however, we wish to underscore that we are only adopting this approach as a result of the disproportionate costs allocated to upper-tier customers under the current tiered residential rate structure, which would be further exacerbated by the inclusion of GHG costs. Should the differences between</p>	
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	lower and upper-tier residential rates be substantially reduced or eliminated, it would no longer be appropriate to use allowance revenue for this purpose. In that event, the carbon price signal should be fully reflected in residential rates and all remaining revenue should be returned on a non-volumetric basis as described below.” (Decision at 114)	
<p>4. Sierra Club California, in collaborative pleadings filed with the Joint Parties, contributed to the Commission’s immediate and long-term evaluation of investment in energy efficiency and renewables programs. Sierra Club California drafted and edited sections of the Joint Parties’ proposal addressing this objective. While the Joint Parties’ proposal was not adopted at this time, the Commission relied on the Joint Parties’ proposal to consider the merits of investment, although the Commission identified a preferred process through alternate proceedings that would provide further consideration to the issues raised by the Joint Parties.</p> <p>“We urge the Commission to devote a substantial share of allowance revenues to ramp up investments in new and existing programs and technologies designed to target barriers in the market for low carbon solutions that pricing carbon will not overcome. To make good on California’s long-term climate objectives at least cost, it will be imperative that we achieve the Commission’s ambitious goals for energy efficiency and distributed generation, and which will substantially reduce energy costs for utility customers across sectors in the long-run.” (Revised Proposal at</p>	<p>“We do, however, set forth high-level guidelines to be considered if the Commission decides at a later date to direct some portion of greenhouse gas allowance revenue toward clean energy or energy efficiency measures. In that event, we believe that the appropriate venue to consider clean energy or energy efficiency programs or projects that could be funded by greenhouse gas allowance revenue is within those respective proceedings.” (Decision at 5)</p> <p>“The Joint Parties propose that the Commission invest a portion of the total GHG allowance revenues in carbon mitigation programs and technologies in order to overcome existing market barriers to entry and/or expansion. The Joint Parties recommend that the Commission prioritize investment in three main categories: (1) expanding energy efficiency programs beyond the Commission’s current portfolio, including developing innovative financing strategies to support emerging clean energy technologies and implementation strategies,</p> <p>(2) expanding low and moderate energy efficiency programs, and (3) enabling better interconnection, integration and support for distributed renewable generation.” (Decision at 36-37)</p> <p>“...appropriate incentives for conservation, demand response, and energy efficiency, as well as the deployment of clean generation and storage technologies.” (Decision at 69).</p>	<p>Yes. Sierra Club provided assistance in the Commission’s understanding or analysis of the issues.</p>

<p>7)</p> <p>“We propose the Commission set aside allowance revenues in each year of the program to make targeted investments in clean energy programs and technologies designed to overcome existing market barriers to carbon mitigation solutions. We recommend the Commission prioritize investment in three broad categories: (1) expanding energy efficiency programs beyond the Commission’s current portfolio, including developing innovative financing strategies to support emerging clean energy technologies and implementation strategies; (2) expanding low and moderate energy efficiency programs; and (3) enabling better interconnection, integration and support for distributed renewable generation.” (Revised proposal at 8, 29)</p> <p>“It is imperative that California maintain a steady, reliable, and expanded funding stream to address systemic market barriers to implementing low-cost carbon mitigation strategies. Although the state has a long and successful track record in investing in energy R&D, emerging technologies, and renewable energy and energy efficiency, significant barriers remain to achieving even greater energy and utility bill savings that carbon pricing alone will not accomplish.” (Revised proposal at 28-29)</p> <p>“California’s energy efficiency programs are underfunded relative to what is needed to meet AB 32’s emission reduction goals... We propose the Commission allocate allowance revenues to efficiency</p>	<p>“...we have many ongoing proceedings that specifically address carbon mitigation measures such as energy efficiency and renewable energy, and these proceedings provide a more appropriate venue for consideration of proposals to specifically address market failures.” (Decision at 69-70)</p> <p>“Parties in support of investment in energy efficiency and/or clean energy programs offered a wide variety of options for our consideration including directing revenues to defray the cost of development and interconnection of renewable energy resources or toward various residential, commercial and industrial energy efficiency projects... The Joint Parties point to the experience of the Regional Greenhouse Gas Initiative, which apportioned a significant portion of their GHG revenues toward energy efficiency projects and programs that are expected to deliver net savings for ratepayers.” (Decision at 132-133)</p> <p>“While such arguments have merit, we are not persuaded that it is appropriate to direct GHG allowance revenues towards energy efficiency or clean energy programs at this time... The appropriate venue for deciding the manner in which GHG revenues should be allocated toward energy efficiency and clean energy programs is within the various proceedings specifically opened to make such decisions.” (Decision at 133).</p> <p>“This Commission, and indeed the State of California, has a long history of aggressively pursuing various AB 32 complementary policies, and nothing in this decision should be construed to mean that we have in any way lessened our firm commitment to these programs and policies. Furthermore, nothing in this decision precludes us from evaluating specific proposals within the appropriate proceeding and deciding in that proceeding that funding would best come from GHG allowance revenues. Parties</p>	
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<p>programs under a carbon mitigation framework, consistent with AB 32, which will shift emphasis to programs designed to achieve energy savings over a longer payback period (i.e., greater than the 20 year procurement time horizon), and compare opportunities to the marginal abatement cost of other emission reduction opportunities needed to meet the emissions reduction goals of AB 32.” (p.31-32)</p> <p>“Based on an updated policy structure suggested above, we suggest that investments be focused in the following areas: (1) increased innovation, (2) more comprehensive approaches to existing building audits and upgrades, and (3) increased financing options for efficiency upgrades. Within each category, we propose examples of programs that would benefit from additional investment than currently available under the Commission’s existing portfolio of programs.” (Revised proposal at 35)</p> <ul style="list-style-type: none"> - Examples and descriptions provided for new programs for Zero Net Energy Buildings, Staying ahead of technological change, Grid integration techniques, Waste gas to electricity at page 36. - Examples and descriptions for expanded programs for Energy Upgrade California and Energy Audits, Industrial Audit Measure, and Expanded Multifamily, ESA, and K-12 Schools Programs provided at page 37-42 <p>Renewable energy and distributed generation proposals at 42 – 44: “Allowance revenues create an</p>	<p>are therefore encouraged to bring such proposals and requests for increased funding for energy efficiency and clean energy to the appropriate proceedings where they can be evaluated against all other proposals and within the confines of the greater budgets of those programs.” (Decision at 134)</p>	
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<p>extraordinary opportunity to reduce the cost and expand the public and private market sectors for renewable energy in California. The benefits of this</p> <p>program could support distributed generation and extend to other renewable energy supporting technologies that have high initial cost that could be brought down over time by expanding the market.”</p> <p>Investment Strategies and Process:</p> <p>“To allocate allowance revenues under each investment strategy discussed above, the Commission should consider utilizing an application process similar to what guides the Utilities’ current energy efficiency portfolios. In advance of each program cycle, the Commission would</p> <p>issue a guidance document providing policy direction and a budget funded from allowance revenues that would be available to supplement the Utilities’ core programs and develop additional programs. The total revenues available for investment would be determined by the allocation methodology adopted in this proceeding; the total revenues available for each investment strategy would be determined by the Commission through the separate process proposed above. An application would then lay out a proposal under the modified frameworks proposed in the preceding discussion, which stakeholders could comment on as part of the same proceeding that governs the current programs.” (Revised Proposal at 46).</p>		
<p>5. Sierra Club California, in collaborative pleadings filed with the Joint Parties,</p>	<p>“The Joint Parties, however, argue that § 748.5(a) does not expressly limit the return of allowance revenues to other</p>	<p>Yes</p>

<p>contributed to the Commission's legal interpretation of SB 1018 with regard to investment parameters. Sierra Club California informed and drafted sections of the Joint Parties' proposal addressing this objective. The Commission adopted most substantive interpretations offered by the Joint Parties on this issue.</p> <p>"As we outline in our revised proposal, we recommend the Commission allocate allowance revenues to fund new and supplemental clean energy and energy efficiency opportunities for retail customers not captured under the Commission's existing programs. That is entirely consistent with the limitations in subsection (c). An overly restrictive reading of the provision – i.e., that all clean energy and energy efficiency projects established pursuant to statute that are administered by the Utilities already have funding sources and are therefore not eligible for an allocation of allowance revenue – would render subdivision (c) effectively meaningless, against longstanding canons of statutory interpretation⁸ and the obvious interest on the part of the Legislature for the Commission to explore investment opportunities. The more reasonable interpretation is that the limitations reflect the Legislature's concern that the Commission stay within its jurisdictional purview by allocating revenues to buttress clean energy and energy efficiency projects under existing statutory authority, but which are not</p>	<p>customer groups." (Decision at 72)</p> <p>"Application of the first rule of statutory construction requires that we give the words of the statute their usual and customary meaning. A plain language reading of § 748.5(a) yields no ambiguity. Section 748.5(a), by designating specific customer classes (namely residential, small business, and emissions-intensive and trade-exposed) as the recipients of directly credited GHG allowance revenues prohibits us from granting direct relief to customer groups outside those classifications." (Decision at 73)</p> <p>"The inclusion of the words "may" and "up to" imposes a cap, not a minimum or a specific requirement, on the amount of allowance revenues directed towards energy efficiency and clean energy projects. The clear absence of any lower bound plainly indicates that the Commission, if it deems it the best outcome, may forego allocating GHG allowance revenues towards energy efficiency or clean energy programs while remaining in compliance with § 748.5(c)." (Decision at 94)</p> <p>"The Joint Parties argue that an overly restrictive reading of the provision would render subdivision (c) effectively meaningless and suggest that such a reading is inconsistent with longstanding canons of statutory interpretation as well as the asserted interest of the Legislature in exploring investment opportunities. The Joint Parties argue that a more reasonable interpretation of this language is that the Commission must stay within its jurisdictional purview by allocating revenues to buttress clean energy and energy efficiency projects that are authorized under the Commission's existing statutory authority." (Decision at 94-95)</p> <p>"Therefore, we rely upon the jurisdiction of the Commission to establish energy efficiency and clean energy programs</p>	
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<p>currently funded (to avoid duplication or mere fund shifting). Consistent with the Joint Parties' proposal, that affords the Commission wide latitude to allocate allowance revenues in this proceeding to fund new and supplemental projects that build on and address gaps in the Commission's current suite of customer programs." (Joint Parties at 6-7)</p> <p>"The Utilities read subsection (c) to mean that the Legislature must specially authorize the use of allowance revenues for specific projects, as they are "aware of no such existing IOU-run clean energy and efficiency projects that have not been otherwise funded." As we outline in our opening comments, however, such an interpretation renders subsection (c) effectively meaningless and is contrary to the clear interest of the Legislature for the <i>Commission</i> to explore additional clean energy and energy efficiency projects not currently funded under its existing suite of programs. Had the Legislature wanted to specifically authorize the funding of new clean energy or energy efficiency projects with allowance revenues, it would have done so." (Joint Parties Reply at 3)</p>	<p>that are administered by the utilities (and allocate ratepayer funding toward those programs) pursuant to broad parameters set in statute. We find that, as argued by the Joint Parties, a restrictive read of § 748.5(c) would render the provision effectively meaningless, a perverse outcome that would require the Legislature to step into the role of adopting clean energy and energy efficiency programs and projects that have traditionally been under the Commission's statutory jurisdiction." (Decision at 95)</p> <p>"The Joint Parties suggest that the intent of the Legislature was to avoid duplication and fund-shifting; therefore, a reasonable interpretation of this language is that revenues in this proceeding can be used to fund new and supplemental projects that build on and address gaps in the Commission's current suite of customer programs." (Decision at 96)</p> <p>"As suggested by the Joint Parties, we find that the most reasonable interpretation of the statute that promotes the statute's general purpose is the requirement that any GHG allowance revenue directed toward clean energy project be additional to previously existing activities, regardless of whether a project is new or already in existence." (Decision at 96-97)</p>	
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B. Duplication of Effort (§§ 1801.3(f) & 1802.5):

	Claimant	CPUC Verified
a. Was the Office of Ratepayer Advocates (ORA)¹ a party to the proceeding?	Yes.	Verified
b. Were there other parties to the proceeding with positions similar to yours?	Yes.	Verified
c. If so, provide name of other parties: Natural Resources Defense Council, Union of Concerned Scientists, Local Government Sustainable Energy Coalition, Greenlining Institute, National Consumer Law Center, Climate Protection Campaign, California Housing Partnership Corporation, Community Environmental Council		Verified
d. Describe how you coordinated with ORA and other parties to avoid duplication or how your participation supplemented, complemented, or contributed to that of another party: Sierra Club California coordinated with other parties listed above to jointly submit comments as the “Joint Parties.” This avoided duplication of effort, so that the Joint Parties could collaborate on shared policy objectives and divide up issues to focus on. Sierra Club California addressed issues related to: (1) policy principles such as preserving the carbon price signal, (2) bill return to residential customers, (3) investment principles and proposed investment programs, and (4) interpretation of SB 1018. The Joint Parties coordinated with DRA, and invited DRA to initial meetings of the Joint Parties. Sierra Club California discussed renewables investment objectives with DRA during workshops.		Yes

PART III: REASONABLENESS OF REQUESTED COMPENSATION**A. General Claim of Reasonableness (§§ 1801 & 1806):**

a. Intervenor’s claim of cost reasonableness: Sierra Club California focused its participation on essential policy questions identified in the scope of this Order Instituting Rulemaking. As this proceeding focused on overall policy issues, rather than the reasonableness of specific rates and expenses, it is impossible to calculate a precise amount of the benefits realized through Sierra Club’s participation. However, Sierra Club’s participation benefited ratepayers by contributing a more robust discussion of issues related to the carbon price signal, the form of bill return to residential customers, and investment principles that would benefit ratepayers and further the purpose of AB 32.	CPUC Verified <hr/> Yes
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¹ The Division of Ratepayer Advocates was renamed the Office of Ratepayer Advocates effective September 26, 2013, pursuant to SB 96 (Budget Act of 2013), which was approved by the Governor on September 26, 2013.

b. Reasonableness of Hours Claimed. Sierra Club California participated actively in the proceeding, commenting on rulings requesting comment and collaborating with the Joint Parties on drafting a proposal. This Sierra Club California is claiming a reasonable amount of hours for the work of a lead docket attorney and an expert reviewing portions of the Joint Parties' proposal.	Yes
c. Allocation of Hours by Issue The great majority of hours were related to general participation in the proceeding and contributing the Joint Parties' proposal, comments on other parties' proposals, and interpretation of SB 1018. Work on this proceeding ranged evenly among the two major issues Sierra Club California addressed, specifically bill return to residential customers (50%), investment principles and proposals (50%).	Yes [A]

B. Specific Claim:*

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate	Basis for Rate*	Total \$	Hours	Rate	Total \$
Andy Katz	2011	72.5	\$190	D.12-05-032	\$13,775.00	62.9 [B]	\$190 ²	\$11,951.00
Andy Katz	2012	47	\$205	See Comment 2	\$9,635.00	44.0 [C]	\$205 ³	\$9,020.00
Jim Stewart	2011	11.9	\$170	See Comment 3	\$2,023.00	11.9	\$170 [D]	\$2,023.00
Jim Stewart	2012	1.5	\$180	See Comment 3	\$270.00	1.5	\$180 [D]	\$270.00
	Subtotal:				\$25,703.00	Subtotal:		\$23,264.00
INTERVENOR COMPENSATION CLAIM PREPARATION **								
Item	Year	Hours	Rate	Basis for Rate*	Total \$	Hours	Rate	Total \$
Andy Katz	2013	6	\$107.50	See Comment 1	\$645	6	\$110 ⁴	\$660.00
	Subtotal:				\$645.00	Subtotal:		\$660.00
TOTAL REQUEST \$:					\$26,348.00	TOTAL AWARD \$:		\$23,924.00

² Adopted in D.12-03-032.³ Adopted in D.13-11-021.⁴ \$220 per hour adopted in D.13-11-021.

*We remind all intervenors that Commission staff may audit their records related to the award and that intervenors must make and retain adequate accounting and other documentation to support all claims for intervenor compensation. Claimant's records should identify specific issues for which it seeks compensation, the actual time spent by each employee or consultant, the applicable hourly rates, fees paid to consultants and any other costs for which compensation was claimed. The records pertaining to an award of compensation shall be retained for at least three years from the date of the final decision making the award.

**Reasonable claim preparation time typically compensated at ½ of preparer's normal hourly rate.

ATTORNEY INFORMATION

Attorney	Date Admitted to CA Bar⁵	Member Number	Actions Affecting Eligibility (Yes/No?) If "Yes", attach explanation
Andy Katz	December 1, 2009	264941	No

C. Attachments Documenting Specific Claim and Comments on Part III

Attachment or Comment #	Description/Comment
	Certificate of Service
1	<p>Hourly Rate for Mr. Katz in 2012</p> <p>For Mr. Katz's work in 2012, Sierra Club California seeks an hourly rate of \$205, based on an allowed increase of 2.2% approved in Res. ALJ-281, and the second 5% step increase within the 0-2 year experience level, and rounded to the nearest \$5.</p> <p>Hourly Rate for Mr. Katz in 2013</p> <p>For Mr. Katz's work in 2013, Sierra Club California seeks an hourly rate of \$215, based on a 5% step increase for the 1st Step Increase within the experience level for attorneys with 3 or more years of experience.</p>
2	<p>Hourly Rate for Jim Stewart in 2011 and 2012</p> <p>Jim Stewart holds a M.S. and Ph.D. in Physics from Yale University. He is Co-Chair of the Sierra Club California Energy-Climate Committee, and is Vice-President for Environmental Policy of POD energy Inc. He has years of experience as a researcher and sustainability consultant. He has prepared detailed comments on the California Air Resources Board Scoping Plan for the implementation of the Global Warming Solutions Act, in addition to numerous policy and scientific papers.</p> <p>Sierra Club seeks an hourly rate of \$170 for Mr. Stewart's work in 2011. This rate is</p>

⁵ This information may be obtained at: <http://www.calbar.ca.gov/>.

	near the lower end of the range for experts with greater than 13 years of experience provided for in Res. ALJ-267. For the year 2012, Sierra Club requests the 1nd 5% step increase and 2.2% Res. ALJ-281 increase for an hourly rate of \$180.
3	<p style="text-align: center;">VERIFICATION</p> <p>I am the Attorney for Sierra Club California and am authorized to make this verification on its behalf. I am informed and believe that the matters stated in this pleading are true.</p> <p>I declare under penalty of perjury that the matters stated in this pleading are true and correct.</p> <p>Executed on the February 27, 2013, at Berkeley, California.</p> <p>/s/ Andy Katz</p> <p>_____</p> <p>Andy Katz</p>

D. CPUC Disallowances and Adjustments:

#	Reason
A	Sierra Club states in Part II.B.d (above) that it addressed four issues (policy principles such as preserving the carbon price signal; bill return to residential customers; investment matters; interpretation of Senate Bill (SB) 1018). This is consistent with Sierra Club's list of five items in Part II.A wherein Sierra Club asserts it made a substantial contribution, including Item 5 regarding the legal interpretation of SB 1018. Sierra Club, however, allocates its hours evenly in Part III.A.c. (above) between only two issues (bill return to residential customers; investment matters). Sierra Club's time records are generally compatible with the notion of time allocation to two issues, with limited hours spent on other matters (e.g., policy principles including carbon price signal; limited hours devoted to SB 1018 between July 11, 2012 and August 13, 2012). Intervenor, including Sierra Club, are cautioned, however, to submit requests for compensation that "include time records of hours worked that identify... (2) the specific task performed; (3) the issue that the task addresses, as identified by the intervenor; and (4) the issue that the task addresses, as identified by the scoping memo, if any." (Rule 17.4(b) of the Commission's Rules of Practice and Procedure.) This is particularly important when an award is adjusted by issue. For an example, see the "Sample IComp Claim" on the Commission's Intervenor Compensation Program web page.
B	Workshop time for Sierra Club of 4.8 hours on November 1, 2011, and 4.8 hours on November 2, 2011, is disallowed. Natural Resources Defense Council (NRDC) also attended these two days of workshops. NRDC's timesheet shows NRDC attended on behalf of the Joint Parties (including Sierra Club), presented the Joint Parties' proposal, and responded to questions on behalf of the group. Sierra Club's hours for attendance at the workshops are duplicative and not allowed.
C	Workshop time for Sierra Club of 3.0 hours on May 23, 2012, is disallowed. NRDC also attended this workshop. NRDC's timesheet shows NRDC attended on behalf of the Joint Parties' (including Sierra Club). Sierra Club's hours are duplicative and not

	allowed.
D	The Commission agrees with Sierra Club's assessment of Jim Stewart's hourly rates. As such, the Commission adopts the rate of \$170 per hour for work Stewart completed in 2011, and \$180 per hour for work Stewart completed in 2012.

PART IV: OPPOSITIONS AND COMMENTS

A. Opposition: Did any party oppose the Claim?	No
B. Comment Period: Was the 30-day comment period waived (<i>see</i> Rule 14.6(2)(6))?	Yes

FINDINGS OF FACT

1. Sierra Club California has made a substantial contribution to D.12-12-033.
2. The requested hourly rates Sierra Club California's representatives are comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.
3. The claimed costs and expenses, as adjusted herein, are reasonable and commensurate with the work performed.
4. The total of reasonable compensation is \$23,924.00.

CONCLUSION OF LAW

1. The Claim, with any adjustment set forth above, satisfies all requirements of Pub. Util. Code §§ 1801-1812.

ORDER

1. Sierra Club California is awarded \$23,924.00.
2. Within 30 days of the effective date of this decision, Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas and Electric Company shall pay Sierra Club California their respective shares of the award, based on their California-jurisdictional gas and electric revenues for the 2011 calendar year, to reflect the year in which the proceeding was primarily litigated. Payment of the award shall include interest at the rate earned on prime, three-month non-financial commercial paper as reported in Federal Reserve Statistical Release H.15, beginning May 15, 2013, the 75th day after the filing of Sierra Club California's request, and continuing until full payment is made.
3. The comment period for today's decision is waived.
4. This decision is effective today.

Dated _____, at San Francisco, California.

APPENDIX**Compensation Decision Summary Information**

Compensation Decision:		Modifies Decision?	No
Contribution Decision(s):	D1212033		
Proceeding(s):	R1103012		
Author:	ALJ Halligan and ALJ Semcer		
Payer(s):	Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas and Electric Company		

Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier?	Reason Change/Disallowance
Sierra Club California	March 1, 2013	\$26,348.00	\$23,924.00	N/A	Duplication of efforts.

Advocate Information

First Name	Last Name	Type	Intervenor	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
Andy	Katz	Attorney	Sierra Club	\$190	2011	\$190
Andy	Katz	Attorney	Sierra Club	\$205	2012	\$205
Andy	Katz	Attorney	Sierra Club	\$205	2013	\$220
Jim	Stewart	Expert	Sierra Club	\$170	2011	\$170
Jim	Stewart	Expert	Sierra Club	\$180	2012	\$180

(END OF APPENDIX)